



A n n u a l R e p o r t 2 0 0 7

Dear Friends of ZeroDivide



In 2007, our Board of Directors decided to officially cease being the Community Technology Foundation of California and embrace a new name. We are now ZeroDivide. As many have observed to us, our new name is also our mission. To close the digital divide we must integrate our strategies and methods with those that address social, cultural and economic divides for disadvantaged communities. We must in fact, work to achieve a “zero divide.”

While our name changed and broadened, our core philosophy has not. We will continue to work to demonstrate how community-based philanthropy can improve access to technology, and more broadly help achieve equity and social justice for disadvantaged communities. However, in order to keep pace with the evolving nature of technology-based innovation, our own philanthropic identity must be as fluid and effective as the technology-oriented environment in which we work. So in 2007 we began executing a new philanthropic strategy which focuses on community-based social enterprise investing as the means of fulfilling our mission, what we have termed, community enterprise.

ZeroDivide is not a change in our identity, rather, it is a claim of new relevance, based on what we have learned over the past decade. This involves improving economic conditions and increasing civic engagement in disadvantaged communities by funding technology-focused, community-based enterprises. Our new framework acknowledges the innovative, entrepreneurial and transformative attributes our grantees have demonstrated. It more fully recognizes the potential for enterprising approaches to change inequitable conditions that prevent communities from becoming, and staying, healthy and vibrant.

We will engage with ventures that demonstrate potential for high impact in the specific areas of e-democracy and community asset building, using mobile applications, wireless access and social media technologies as the tools of choice.

We invite you to follow our journey and learn with us in our effort to transform our world and achieve a “zero divide.”

Sincerely,



Tessie Guillermo

President & Chief Executive Officer

After conducting an extensive analysis of our grantmaking, including a comprehensive grants review and findings from a series of statewide focus groups of our grantee communities, environment scan as well as strategic guidance from our board, we developed a revised strategic program. These programs are designed to create, capture, and distribute ideas, ventures, and voices from the disadvantaged communities with the intent to influence societal changes at the economic and community levels. ZeroDivide's community investment strategy supports two major categories of investments: Big Bet Community Enterprises and Pipeline Ventures.



BIG BET COMMUNITY ENTERPRISES

Big Bet Investments are solicited multi-year ventures that have demonstrated potential and initial capacity for developing a technology-based service/product/campaign for an underdeveloped market. These ventures have revenue generating possibilities, and/or scalability and replication potential.



► www.bavc.org

Bay Area Video Coalition (BAVC) is a nonprofit media arts center launched in 1976 as a way to make emerging video technology accessible to independent media makers. BAVC's enterprise develops and fosters community technology innovation by providing nonprofits and independent media makers with access to a managed high-speed fiber network, and supporting a Community Innovation Lab. This Lab houses the Nonprofit Institute for New Media Applications, which fosters Technology R & D for the nonprofit sector. As a first project of the new Institute, BAVC developed BUMP Mobile as a mobile tool in which Institute participants disseminate content to their communities. BAVC will target other nonprofit organizations, foundations and independent media producers beginning at the local level and eventually nationwide.



► www.lbymcayi.org

YMCA of Greater Long Beach Youth Institute is an intensive year-round program that uses digital and social media technology training to promote positive youth development and enhance the academic success and career readiness of low-income, culturally diverse, urban middle and high school students. Their community enterprise, Change Agent Productions, is a nonprofit production house offering business and entrepreneurial opportunities to low-income, inner-city high school and college-age youth. Youth involved in the program develop professional technology and social skills while gaining corporate and workplace experience. Change Agent intends to offer their professional services to other nonprofit organizations, corporations and professional associations.



► www.youthoutlook.org

Youth Outlook (YO!) is the youth division of New America Media, which produces and distributes youth media content locally and nationally. YO!'s enterprise provides bundled advertising access on all its platforms to "old and new" media and advertising companies. YO! is the umbrella organization that houses YO!TV, YO!Radio, and four magazines (Debuge, The Beat Within, SNAG, SPRAWL). YO! also podcasts and streams youth content directly from its website, www.youthoutlook.org. YO! trains and employs youth ages 14-25 in all aspects of its programs. YO! targets commercial, social, government and political agencies concerned about messaging to the 15-29 year old demographic. YO! works with local commercial advertisers interested in multi platform advertising.



► www.youthradio.org

Youth Radio is an award winning, nationally recognized leader in youth media content creation and distribution. Youth Radio's enterprise distributes content, generates advertising revenue from distribution and sells sponsorship for that content. Youth Radio produces and filters media content across the most popular technology platforms used today by youth. Youth Radio's venture, Youth Media Start-Up (YMSU), plans to sell advertising space on its website. They will partner with popular online news outlets (e.g., MSN, Yahoo, New York Times, Time), who aim to align their brands, products, services with fresh online content holding youth appeal, and provide them free content in exchange for shares of the ad revenue generated by that content. YMSU's converged media scope allows students to repurpose their versatile stories across media forms and tailor them for niche audiences and contexts, from public and commercial broadcasts to downloadable podcasts to quirky and satirical vodcasts offering unexpected cultural commentaries on issues of the day.



PIPELINE INVESTMENTS

Pipeline Investments are unsolicited programs. Pipeline Investments are intended to potentially mature into opportunities for Big Bet Investments within a 12 to 18 month timeframe.



► www.cmcweb.org

The Center for Multicultural Cooperation promotes educational programs for social and civic responsibility, service learning, media, art, history and multicultural cooperation. The Fresno Youth Empowerment Studio (FresYES) engages underserved youth by training them to be skillful producers of culturally relevant media and “digital social entrepreneurs.” In using the latest technological tools available, FresYES students will use web-based social media, mobile and wireless applications to promote greater civic participation, support community-based organizations and develop community.

CRAIGSLIST FOUNDATION

► www.craigslistfoundation.org

Craigslist Foundation creates community in the nonprofit arena by “helping people help”, regardless of cause or sector. Their venture, “Project Entry Point,” is a social networking/resource website to benefit the nonprofit community and the individuals they serve. The overall goal of the Craigslist Foundation is to connect nonprofit leaders and compassionate citizens to the resources they need to fulfill their social impact goals. Project Entry Point is designed to enhance this effort with an online resource guide modeled on the existing Craigslist site.



► www.rapsession.org

Rap Sessions is a multiracial panel of Hip hop experts who tour California and the nation to engage youth in candid, compelling conversations about race, gender, and power. Bakari Kitwana, in collaboration with Pasadena City College, created Rap Sessions, a national conversation on Hip hop and race. These “town hall” styled meetings are designed to expand our nation’s current understanding of race and youth culture. Utilizing technology to disseminate the information to a wider audience allows others to access the information gathered at the sessions.



► www.reachla.org

REACH LA is a youth-driven organization committed to educating, motivating, and mobilizing urban youth to improve their lives and communities. REACH LA is strengthening and expanding its Department of Social Enterprise for Youth by incorporating digital media arts and technology in the production and marketing of youth-produced products and services. REACH LA’s mission is to train low-income youth of color from Metropolitan Los Angeles and empower them with technology skills to develop innovative program initiatives that lead to social change in their own peer community.



► www.sdfutures.org

San Diego Futures Foundation works to establish accessibility to information technology resources, increase computer literacy, and provide training to enable a broader range of citizens to cross the digital divide. The WhizKidz venture trains at-risk young adults (18-24 years old) to develop marketable technical, entrepreneurial, and business skills while teaching small business owners in the San Diego City Heights area to leverage technology to improve productivity and increase revenue.



The Opportunity Agenda

► www.opportunityagenda.org

The Opportunity Agenda, through an integrated strategy of communications, research, and advocacy, works with social justice organizations and leaders to connect with core American values and expand the constituency for opportunity in the United States. The Opportunity Agenda integrates Web 2.0 advocacy tools in California's health care reform efforts by creating an interactive website that geographically illustrates racial, socioeconomic and geographic disparities in health care while promoting solutions and engaging affected communities, policymakers and others in acting on those solutions.



► www.womensaudiomission.org

Women's Audio Mission (WAM) is a women-run, nonprofit organization dedicated to the advancement of women in the recording arts. WAM uses video technology to produce on-demand learning units, live and interactive lectures, and member meetings to reach low-income women throughout California. It leverages social media and video streaming technology and utilizes Second Life as a means of delivering educational content. In a field where women are historically underrepresented, WAM seeks to create an environment that will encourage and enable the aspirations of women in the recording arts.

ZERODIVIDE INITIATIVES

The ZeroDivide Fellowship The ZeroDivide Fellowship is a strategic initiative of ZeroDivide designed to: build a community technology movement that benefits and improves the quality of life for underserved communities; cultivate a network of diverse community leaders who will shape the field of community technology and move a policy agenda reflective of their communities; and support the work of California community leaders in advancing a social justice agenda.

Digital Storytelling Institute The Digital Storytelling Institute (DSI) promotes the voice of California's disadvantaged communities to foster greater communications and outreach from and among their constituents. DSI's goal is to build an organization's capacity using digital media, to engage communities in social change digital storytelling. An annual event is held to highlight and celebrate the efforts of people involved in using digital storytelling as a civic engagement tool.

Hip hop The Hip hop Initiative demonstrates the conscious use of Hip hop as a multi-media communications vehicle that extends beyond consumer entertainment. Programs are designed to use digital media and popular culture to alter the economic, political, and social landscapes of California's communities. ZeroDivide collaborates with leaders in the Hip hop social movement to engage in dialogue to strategize and coordinate their efforts so that Hip hop activism remains a force in fostering social justice.



INVESTMENT PORTFOLIO PROFILES

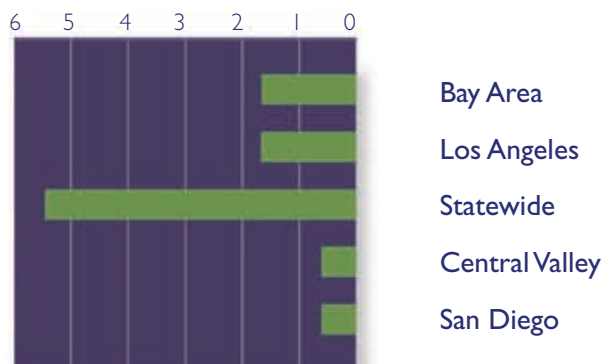
Areas of Engagement



Technology Focus



Geographic Focus



FINANCIAL STATEMENT AUDITED

Statements of Financial Positions

ASSETS	2007	2006
Cash and cash equivalents	\$ 3,644,688	\$ 1,263,462
Cash held in trust	273,026	420,733
Investments	14,328,996	13,107,240
Grants receivable	275,000	4,601,437
Property and equipment	66,993	240,939
Other assets	780,654	1,136,714
Total assets	\$ 19,369,357	\$ 20,770,525

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable and accrued expenses	\$ 153,280	\$ 121,291
Grants payable	1,299,944	1,079,248
Fiscal liability	273,026	420,733
Total liabilities	1,726,250	1,621,272

Net assets

Unrestricted	5,527,358	3,907,238
Temporarily restricted	12,115,750	15,242,015
Total net assets	17,643,107	19,149,253
Total liabilities and net assets	\$ 19,369,357	\$ 20,770,525

Statements of Activities

			2007	2006
	Unrestricted	Temporarily Restricted	Total	Total
Support and revenue:				
Contributions	\$ 1,094,676	\$ 1,877,147	\$ 2,971,823	\$ 2,933,188
In-kind contributions	22,500	-	22,500	1,256,580
Interest and investment income	1,174,982	-	1,174,982	878,380
Realized and unrealized loss from investments	(99,774)	-	(99,774)	157,111
Other income	970	-	970	274,099
Net assets released from restrictions	5,003,412	-	-	-
Total support and revenue	7,196,766	(3,126,265)	4,070,501	5,499,358
Expenses:				
Program services	4,775,829	-	4,775,829	4,242,336
Management and general	336,273	-	336,273	272,555
Fundraising	464,545	-	464,545	395,511
Total expenses	5,576,647	-	5,576,647	4,910,402
Change in assets	1,620,119	(3,126,265)	(1,506,146)	587,956
Net assets, beginning of year	3,907,238	15,242,015	19,149,253	18,561,297
Net assets, end of year	\$ 5,527,357	\$ 12,115,750	\$ 17,643,107	\$ 19,149,253



BOARD/STAFF

The Board of Directors originated from a groundbreaking partnership of community leaders representing the State's ethnic/racial populations. Current members of ZeroDivide Board continue to bring a wealth of knowledge and expertise in technology, business enterprise development, government policy, and nonprofit management.

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Mark Savage, Esq.

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Jocelyn Yin, Community Investment Officer



Z E R O D I V I D E

425 Bush Street, Suite 300
San Francisco, CA 94108

415 773 - 0388 Phone
415 773 - 0380 Fax
415 773 - 0399 TTY

info@ZeroDivide.org
www.ZeroDivide.org